



Amy G. Rabinowitz
Counsel

April 1, 2003

Mary L. Cottrell, Secretary
Department of Telecommunications and Energy
One South Station
Boston, MA 02110

Re: Massachusetts Electric Company and Nantucket Electric Company Default Service; D.T.E. 99-60

Dear Secretary Cottrell:

In response to the Department's March 31, 2003 letter order regarding default service for the period May 1, 2003 through October 31, 2003, I am attaching the Company's proposed bill insert for Department review. This draft bill insert advises customers on the means available to explore and obtain competitive supplier services. The Company proposes to mail this proposed bill insert to customers in their April bills in order to provide them with advanced notice of the increase in default service rates beginning in May. The Company will issue its first April bills tonight, and respectfully requests the Department's review of this proposed bill insert as soon as possible.

Thank you very much for your attention to this filing.

Very truly yours,

Amy G. Rabinowitz

cc: Joseph W. Rogers, Esq.
Service List

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DRAFT 4/1/03

Item: Standalone Insert for All Default Service Customers

Bill Increase in May

As a Default Service customer, your rates for electricity will be going up next month, primarily because the prices of oil and natural gas, which are used to produce electricity, have risen sharply. These are the same market forces that have raised the cost of heating your home and filling your car with gasoline.

We don't generate the electricity ourselves. Rather, we buy it on your behalf through competitive bidding every six months. The price we pay for electricity reflects current market pricing. Massachusetts Electric does not profit from increases or decreases in these costs; they are passed onto customers without markup.

For a typical residential customer using 500 kWh of electricity per month, the Default Service price increase would result in an increase of \$11.15, or 21 percent, on the monthly bill. Your individual circumstances may vary. For business customers, the impact of the price increase will depend on your service type and location. Your bill shows pricing information for Default Service from May through October. The price you pay for the delivery of electricity to your home or business is not affected by this increase in Default Service prices.

We realize the impact this increase may have on our customers, and we have several options to help you manage your electricity bill.

You have the option of buying your supply from another company, which could lower your cost. If you buy from another company, you will pay the alternative supplier's price rather than the Default Service price. Information about alternative suppliers can be found at the New Choices link on our website, www.masselectric.com, or by calling 888-466-3433 (press 5 at the prompt). Whether you switch to a competitive energy supplier or not, we will continue to deliver the electricity to your home and respond to your customer service requests.

Additionally, we offer energy conservation programs, a budget billing option, and, if you qualify, low-income assistance. Check www.masselectric.com or call 800-322-3223 for more information.